

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2731

To encourage the development of a commercial space industry in the United States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 1993

Mr. WALKER (for himself, Mr. FAWELL, Mr. SMITH of Michigan, and Mr. ROHRBACHER) introduced the following bill; which was referred jointly to the Committees on Science, Space, and Technology, Ways and Means, Natural Resources, Agriculture, and the Judiciary

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## A BILL

To encourage the development of a commercial space industry in the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Omnibus Space Com-  
5       mercialization Act of 1993”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds that—

1           (1) the exploration of space holds the potential  
2       for vast new enterprises which will benefit the  
3       United States and all of mankind;

4           (2) inevitably where exploration has taken place  
5       commercial activity follows;

6           (3) the development of a robust commercial  
7       space industry in the United States is required to  
8       restore and maintain United States world leadership  
9       in the exploration, development, commercialization,  
10      and settlement of space and to maintain the health  
11      and growth of the national economy, meet national  
12      security objectives, and sustain the position of the  
13      United States as a world power;

14          (4) the United States is in danger of losing its  
15      leadership position in space transportation;

16          (5) the Federal Government should encourage,  
17      facilitate, and promote the United States commercial  
18      space industry, including the development of com-  
19      mercial launch facilities, in order to ensure United  
20      States economic preeminence in space;

21          (6) creation of a space infrastructure and trans-  
22      portation industries in a timely, profitable, innova-  
23      tive, and sustainable manner can be accomplished  
24      only by private enterprise;

1           (7) incentives are needed to be put in place for  
2       private enterprise to undertake the high risk venture  
3       of commercial space industrialization; and

4           (8) commercial space activity presents unique  
5       legal problems that need to be clarified before the  
6       full industrialization of space can go forward.

7   **SEC. 3. DEFINITIONS.**

8       For purposes of this Act—

9           (1) the term “commercial provider” means any  
10      person providing space transportation services or  
11      other space-related activities;

12          (2) the term “payload” means anything that a  
13      person undertakes to transport to, from, or within  
14      outer space, or in suborbital trajectory, by means of  
15      a space transportation vehicle, but does not include  
16      the space transportation vehicle itself except for its  
17      components which are specifically designed or adapt-  
18      ed for that payload;

19          (3) the term “Secretary” means the Secretary  
20      of Transportation;

21          (4) the term “space infrastructure” means all  
22      facilities, equipment, and real property (including  
23      ranges) used to perform space-related activities;

24          (5) the term “space launch and launch support  
25      facilities” means space infrastructure used—

1 (A) to prepare space transportation vehi-  
2 cles and their payloads for transportation to,  
3 from, or within outer space, or in suborbital  
4 trajectory; or

5 (B) to launch such vehicles;

6 (6) the term “space-related activities” includes  
7 research and development, manufacturing, process-  
8 ing, service, and other associated and support activi-  
9 ties;

10 (7) the term “space transportation services”  
11 means the preparation of a space transportation ve-  
12 hicle and its payloads for transportation to, from, or  
13 within outer space, or in suborbital trajectory, and  
14 the conduct of transporting a payload to, from, or  
15 within outer space, or in suborbital trajectory;

16 (8) the term “space transportation vehicle”  
17 means any vehicle constructed for the purpose of op-  
18 erating in, or transporting a payload to, from, or  
19 within, outer space, or in suborbital trajectory, and  
20 includes any component of such vehicle not specifi-  
21 cally designed or adapted for a payload;

22 (9) the term “United States person” means an  
23 individual, corporation, commercial provider, or  
24 other entity organized under the laws of the United

1 States or a State, Commonwealth, territory, or pos-  
2 session of the United States which is—

3 (A) more than 50 percent owned by United  
4 States nationals; or

5 (B) a subsidiary of a foreign company and  
6 the Secretary finds that—

7 (i) such subsidiary has in the past evi-  
8 denced a substantial commitment to the  
9 United States market through—

10 (I) investments in the United  
11 States in long-term research, develop-  
12 ment, and manufacturing (including  
13 the manufacture of major components  
14 and subassemblies); and

15 (II) significant contributions to  
16 employment in the United States; and

17 (ii) the country or countries in which  
18 such foreign company is incorporated or  
19 organized, and, if appropriate, in which it  
20 principally conducts its business, affords  
21 reciprocal treatment to companies de-  
22 scribed in subparagraph (A) comparable to  
23 that afforded to such foreign company's  
24 subsidiary in the United States, as evi-  
25 denced by—

1 (I) providing comparable oppor-  
2 tunities for companies described in  
3 subparagraph (A) to participate in  
4 Government sponsored research and  
5 development similar to that authorized  
6 under this Act;

7 (II) providing no barriers to com-  
8 panies described in subparagraph (A)  
9 with respect to local investment op-  
10 portunities that are not provided to  
11 foreign companies in the United  
12 States; and

13 (III) providing adequate and ef-  
14 fective protection for the intellectual  
15 property rights of companies de-  
16 scribed in subparagraph (A); and

17 (10) the term “antitrust laws” has the meaning  
18 given it in section 1(a) of the Clayton Act (15  
19 U.S.C. 12(a)), except that such term includes sec-  
20 tions 2 through 6 of the National Cooperative Re-  
21 search Act of 1984 (15 U.S.C. 4301 through 4305),  
22 and includes section 5 of the Federal Trade Com-  
23 mission Act to the extent that such section 5 applies  
24 to unfair methods of competition.

1     **TITLE I—SPACE LAUNCH AND**  
2     **LAUNCH SUPPORT FACILITIES**

3     **SEC. 101. INVENTORY OF FACILITIES.**

4         (a) INVENTORY.—The Comptroller General shall con-  
5     duct a comprehensive inventory of all space launch and  
6     launch support facilities owned by the United States Gov-  
7     ernment and shall identify such facilities that are surplus  
8     to public and national security needs. This subsection shall  
9     be carried out in cooperation with the Department of De-  
10    fense, the National Aeronautics and Space Administra-  
11    tion, the Department of Transportation, the Department  
12    of Commerce, and the General Services Administration.

13       (b) REPORT.—Not later than 12 months after the  
14    date of enactment of this Act, the Comptroller General  
15    shall submit to the Congress a report containing the inven-  
16    tory and identification required under subsection (a), in-  
17    cluding an item by item justification of why each facility  
18    is or is not identified as surplus. Portions of such report  
19    may be classified and protected from public disclosure if  
20    such classification is essential to protect national security.

21       (c) REFERRAL FOR SALE.—All facilities identified  
22    under this section as surplus shall be referred to the Gen-  
23    eral Services Administration for disposition.

1 **SEC. 102. COMMERCIAL SPACE CENTERS.**

2 (a) DESIGNATION.—The Secretary shall establish cri-  
3 teria for the designation of Commercial Space Centers.  
4 The Secretary shall, in accordance with such criteria, des-  
5 ignate appropriate launch facilities as Commercial Space  
6 Centers.

7 (b) BENEFITS OF DESIGNATION.—Commercial Space  
8 Centers, all property located therein, all space transpor-  
9 tation services and space-related activities carried out  
10 therein, and all products and services created, processed,  
11 manufactured, or otherwise arising from such space trans-  
12 portation services and space-related activities, including  
13 such services and activities in space as are launched from  
14 a Commercial Space Center and products created, manu-  
15 factured, or processed in connection therewith, and pro-  
16 ceeds from insurance policies insuring such services and  
17 activities, shall be exempt from—

18 (1) all Federal corporate income and other  
19 taxes; and

20 (2) all Federal excises, imposts, duties, and any  
21 and all other Federal tariffs.

22 **SEC. 103. PUBLIC LAND FOR NEW SPACE LAUNCH AND**  
23 **LAUNCH SUPPORT FACILITIES.**

24 (a) FACILITATION OF PROPOSALS.—The Secretary of  
25 the Interior and the Secretary of Agriculture shall facili-  
26 tate proposals by commercial providers, with or without



1 the participation of State and local governments, to estab-  
2 lish new space launch and launch support facilities on pub-  
3 lic lands administered through their respective depart-  
4 ments through sale, lease, grant of overflight and clear-  
5 ance easements, or other transfer of such lands, and shall  
6 ensure timely review and decision regarding such  
7 proposals.

8 (b) LEASES.—Leases described in subsection (a)  
9 shall be to commercial providers for periods of 30 years,  
10 with options to extend for an additional 20 years. Parties  
11 signing such a lease shall enjoy occupation and use of the  
12 lands without charge for the first 10 years of the term  
13 of the lease. The annual lease price for the remaining 20  
14 years, and for any period of extension, of the lease shall  
15 be based on fair market value at the time of the submis-  
16 sion of the initial request for use of the land, except that  
17 lands used for livestock grazing at the time of the signing  
18 of a lease shall be leased at the rate charged for grazing  
19 access.

20 (c) WILDERNESS, RECREATION, AND PARK AREAS.—  
21 (1) Except as provided in paragraph (2), no wilderness  
22 area, national recreation area, or national park, or any  
23 part thereof, shall be transferred as described in sub-  
24 section (a).

1       (2) Overflight easements for extra-atmospheric flight  
2 may be granted over such areas if the Secretary of Trans-  
3 portation finds that danger to the general public is not  
4 significantly increased thereby.

5       (d) NONCONTIGUOUS LAND PARCELS.—Land parcels  
6 sold, leased, or otherwise made available under this section  
7 need not be contiguous. Road and communication ease-  
8 ments shall be granted wherever practical to link such  
9 parcels.

10       (e) COMPATIBLE USES.—Proposers shall be encour-  
11 aged to submit proposals compatible with—

12               (1) existing uses, including livestock grazing,  
13 mining, and forest activities;

14               (2) scientific activities, including aircraft re-  
15 search and test flights; and

16               (3) other space-related activities.

## 17   **TITLE II—PURCHASE OF SPACE** 18   **TRANSPORTATION SERVICES**

### 19   **SEC. 201. SHORT TITLE.**

20       This title may be cited as the “Space Transportation  
21 Services Purchase Act of 1993”.

### 22   **SEC. 202. REQUIREMENT TO PROCURE COMMERCIAL** 23   **LAUNCH SERVICES.**

24       Section 204 of the Launch Services Purchase Act of  
25 1990 (42 U.S.C. 2465d) is amended to read as follows:

1   **“SEC. 204. REQUIREMENT TO PROCURE COMMERCIAL**  
2                   **LAUNCH SERVICES.**

3           “(a) IN GENERAL.—Except as otherwise provided in  
4 this section, the Federal Government shall purchase  
5 launch services from commercial providers whenever such  
6 services are required in the course of its activities.

7           “(b) EXCEPTIONS.—The Federal Government shall  
8 not be required to purchase launch services as provided  
9 in subsection (a) if, on a case by case basis the Adminis-  
10 trator of the National Aeronautics and Space Administra-  
11 tion (hereafter in this section referred to as the ‘Adminis-  
12 trator’), or the Secretary of Defense, as the case may be,  
13 determines that—

14                   “(1) the payload requires the unique capabili-  
15 ties of the space shuttle;

16                   “(2) commercial launch services to meet specific  
17 mission requirements are not reasonably available or  
18 would not be reasonably available when required;

19                   “(3) the use of commercial launch services  
20 poses an unacceptable risk of loss of a unique sci-  
21 entific opportunity; or

22                   “(4) the payload serves national security or for-  
23 eign policy purposes.

24 Any determination of such circumstances shall be made  
25 by the Administrator or the Secretary of Defense and shall  
26 not be delegated. The Administrator, or the Secretary of

1 Defense, as the case may be, shall, within 30 days after  
2 such determination, notify the Committee on Science,  
3 Space, and Technology and the Committee on Armed  
4 Services of the House of Representatives and the Commit-  
5 tee on Commerce, Science, and Transportation of the Sen-  
6 ate in writing of the determination and its rationale.

7 “(c) FEDERAL GOVERNMENT LAUNCH VEHICLES.—  
8 Launch vehicles shall be acquired or owned by the Federal  
9 Government only—

10 “(1) as required under circumstances described  
11 in subsection (b); or

12 “(2) for conducting research and development  
13 on, and testing of, launch technology.

14 “(d) PHASE-IN PERIOD.—Subsections (a) and (c)  
15 shall not apply to launch services and launch vehicles for  
16 which a purchase contract has been signed before the date  
17 of enactment of this Act.

18 “(e) HISTORICAL PURPOSES.—This title shall not be  
19 interpreted to prohibit the Federal Government from ac-  
20 quiring, owning, or maintaining launch vehicles solely for  
21 historical display purposes.”.

22 **SEC. 203. PURCHASE OF LAUNCH SERVICES.**

23 Section 205 of the Launch Services Purchase Act of  
24 1990 (42 U.S.C. 2465e) is amended to read as follows:

1 **“SEC. 205. PURCHASE OF LAUNCH SERVICES.**

2 “(a) COMPETITIVE BIDDING.—(1) Contracts to pro-  
3 vide launch services to the Federal Government under sec-  
4 tion 204 shall be awarded subject to applicable Federal  
5 law requiring full, fair, and open competition, consistent  
6 with section 2304 of title 10, United States Code, and sec-  
7 tion 311 of the National Aeronautics and Space Act of  
8 1958.

9 “(2) Submission of cost or pricing data for the pur-  
10 pose of supporting a bid or proposal or for the fulfillment  
11 of a contract shall not be required of the bidders, except  
12 in cases where only one credible bid meeting minimal tech-  
13 nical standards as set forth in the original solicitation is  
14 received.

15 “(b) SPECIFICATION SYSTEMS.—Reasonable per-  
16 formance specifications, rather than Federal civilian or  
17 military design or construction specifications, shall be  
18 used to the maximum extent feasible to define require-  
19 ments for a commercial provider bidding to provide launch  
20 services. This subsection shall not preclude the Federal  
21 Government from requiring compliance with applicable  
22 safety standards.”.

23 **SEC. 204. COMMERCIAL SPACE LAUNCH ACT AMENDMENTS.**

24 (a) AMENDMENTS.—The Commercial Space Launch  
25 Act (49 U.S.C. App. 2601 et seq.) is amended—

26 (1) in section 4—

1 (A) by inserting “from Earth” after “if  
2 any,” in paragraph (2);

3 (B) by redesignating paragraphs (9)  
4 through (12) as paragraphs (11) through (14),  
5 respectively; and

6 (C) by inserting after paragraph (8) the  
7 following new paragraphs:

8 “(9) ‘reenter’ and ‘reentry’ mean to return pur-  
9 posefully, or attempt to return, a reentry vehicle and  
10 payload, if any, from Earth orbit or outer space to  
11 Earth;

12 “(10) ‘reentry vehicle’ means any vehicle de-  
13 signed to return from Earth orbit or outer space to  
14 Earth substantially intact;”;

15 (2) in section 6(a), by inserting “, or reenter a  
16 reentry vehicle,” after “operate a launch site” each  
17 place it appears;

18 (3) in section 6(a) (2) and (3), by striking “sec-  
19 tion 4(11)” each place it appears and inserting in  
20 lieu thereof “section 4(12)”;

21 (4) in section 6(a)(3)(A), by inserting “or re-  
22 entry” after “such launch or operation”;

23 (5) in section 6(a)(3), by inserting “, or reentry  
24 of a reentry vehicle,” after “operation of a launch  
25 site” each place it appears;

1 (6) in section 6(b)(1)—

2 (A) by striking “launch license” and in-  
3 serting in lieu thereof “license”;

4 (B) by inserting “or reenter” after “shall  
5 not launch”;

6 (C) by inserting “or reentry” after “relate  
7 to the launch”; and

8 (D) by inserting “or reentered” after “to  
9 be launched”;

10 (7) in section 6(b)(2)—

11 (A) by inserting “or reentry” after “pre-  
12 vent the launch”;

13 (B) by striking “holder of a launch li-  
14 cense” and inserting in lieu thereof “licensee”;  
15 and

16 (C) by inserting “or reentry” after “deter-  
17 mines that the launch”;

18 (8) in section 6(c)(1), by inserting “or reentry  
19 of a reentry vehicle” after “operation of a launch  
20 site”;

21 (9) in section 7, by striking “both” and insert-  
22 ing in lieu thereof “for reentering one or more re-  
23 entry vehicles”;

24 (10) in sections 8(a), 9(b), 11(a), 11(b),  
25 12(a)(2)(B), and 12(b), by inserting “, or reentry of

1 a reentry vehicle,” after “operation of a launch site”  
2 each place it appears;

3 (11) in section 8(b), by inserting “and the re-  
4 entry of reentry vehicles,” after “operation of launch  
5 sites,”;

6 (12) in section 11(a), by inserting “or reentry”  
7 after “launch or operation”;

8 (13) in section 12(a)(1), by inserting “or re-  
9 entry” after “prevent the launch”;

10 (14) in section 12(b), by inserting “or reentry”  
11 after “prevent the launch”;

12 (15) in section 14(a)(1)—

13 (A) by inserting “or reentry site” after  
14 “observers at any launch site”; and

15 (B) by inserting “or reentry vehicle” after  
16 “assembly of a launch vehicle”;

17 (16) in section 15(b)(4)(A)—

18 (A) by inserting “and reentries” after “en-  
19 sure that the launches”;

20 (B) by inserting “or reentry date commit-  
21 ment” after “launch date commitment”;

22 (C) by inserting “or reentry” after “ob-  
23 tained for a launch”;

24 (D) by inserting “, reentry sites,” after  
25 “United States launch sites”;



1 (E) by inserting “or reentry site” after  
2 “access to a launch site”;

3 (F) by inserting “, or services related to a  
4 reentry,” after “amount for launch services”;  
5 and

6 (G) by inserting “or reentry” after “the  
7 scheduled launch”;

8 (17) in section 15(b)(4)(B), by inserting “or re-  
9 entry” after “prompt launching”;

10 (18) in section 15(c), by inserting “or reentry”  
11 after “launch site”;

12 (19) in section 16(a)(1) (A) and (B), by insert-  
13 ing “or reentry” after “any particular launch” each  
14 place it appears;

15 (20) in section 16(a)(1) (C) and (D), by insert-  
16 ing “or a reentry” after “launch services” each place  
17 it appears;

18 (21) in section 16(a)(2), by inserting “or re-  
19 entry” after “launch services”;

20 (22) in section 16(b)(1) and (4) (A) and (B),  
21 by inserting “or reentry” after “particular launch”  
22 each place it appears;

23 (23) in section 17(b)(2)(A)—

24 (A) by inserting “reentry site,” after  
25 “launch site,”; and

1 (B) by inserting “or reentry vehicle” after  
2 “site of a launch vehicle”;

3 (24) in section 21(a), by inserting “and re-  
4 entry” after “approval of space launch”;

5 (25) in section 21(b)—

6 (A) by inserting “, reentry vehicle,” after  
7 “A launch vehicle”; and

8 (B) by inserting “or reentry” after “the  
9 launching”;

10 (26) in section 21(c)(1)—

11 (A) by striking “or” in subparagraph (B);

12 (B) by redesignating subparagraph (C) as  
13 subparagraph (D); and

14 (C) by inserting after subparagraph (B)  
15 the following new subparagraph:

16 “(C) reentry of a reentry vehicle, or”;

17 (27) in section 21(c)(2), by inserting “reentry,”  
18 after “launch,”; and

19 (28) in section 22(a)—

20 (A) by striking “ending after the date of  
21 enactment of this Act and before October 1,  
22 1989”; and

23 (B) by inserting “and reentries” after  
24 “further commercial launches”.

1 (b) REPORT TO CONGRESS.—The Secretary of  
2 Transportation shall submit to Congress an annual report  
3 to accompany the President’s budget request which re-  
4 views the performance of the regulatory activities and the  
5 effectiveness of the Office of Commercial Space Transpor-  
6 tation.

7 **TITLE III—INTELLECTUAL**  
8 **PROPERTY DISPOSITION**

9 **SEC. 301. RESEARCH UNDER CONTRACT WITH FEDERAL**  
10 **GOVERNMENT.**

11 Any commercial provider making an invention under  
12 contract with the Federal Government shall have the same  
13 rights with respect to such invention as would a small  
14 business firm under chapter 38 of title 35, United States  
15 Code.

16 **SEC. 302. COOPERATIVE RESEARCH AND DEVELOPMENT**  
17 **AGREEMENTS.**

18 Section 12 of the Stevenson-Wydler Technology Inno-  
19 vation Act of 1980 (15 U.S.C. 3710a) is amended—

20 (1) in subsection (a) by striking “may permit”  
21 and inserting in lieu thereof “shall permit, under au-  
22 thority of this or any other appropriate Act,”; and  
23 (2) in subsection (d)(1) by inserting “intellec-  
24 tual property,” after “equipment,” both places it  
25 appears.

1 **TITLE IV—TAX INCENTIVES FOR**  
2 **COMMERCIAL SPACE ACTIVI-**  
3 **TIES**

4 **SEC. 401. SHORT TITLE.**

5 This title may be cited as the “Space Business Incen-  
6 tives Act of 1993”.

7 **SEC. 402. DEDUCTION FOR PURCHASE OF COMMERCIAL**  
8 **SPACE CENTER STOCK.**

9 (a) IN GENERAL.—Part VI of subchapter B of chap-  
10 ter 1 of the Internal Revenue Code of 1986 (relating to  
11 itemized deductions for individuals and corporations) is  
12 amended by adding at the end thereof the following new  
13 section:

14 **“SEC. 197. DEDUCTION FOR PURCHASE OF COMMERCIAL**  
15 **SPACE CENTER STOCK.**

16 “(a) IN GENERAL.—At the election of the taxpayer,  
17 there shall be allowed as a deduction the aggregate  
18 amount paid during the taxable year for the purchase of  
19 Commercial Space Center stock on the original issue of  
20 such stock by a qualified issuer.

21 “(b) MAXIMUM DEDUCTION.—

22 “(1) IN GENERAL.—The maximum amount al-  
23 lowed as a deduction under subsection (a) to a tax-  
24 payer for the taxable year shall not exceed  
25 \$100,000.

1           “(2) CONTROLLED GROUPS.—For purposes of  
2 paragraph (1), the taxpayer and all persons who are  
3 related persons with respect to the taxpayer shall be  
4 treated as 1 person, and the \$100,000 amount in  
5 paragraph (1) shall be allocated among the taxpayer  
6 and such persons in proportion to their respective  
7 purchases of stock during the taxable year for which  
8 the deduction is allowable by this section.

9           “(3) ALLOCATION OF DEDUCTION WHERE MORE  
10 THAN \$100,000 OF STOCK PURCHASED.—If the  
11 amount of stock purchased by any person exceeds  
12 the limitation under this subsection with respect to  
13 such person, the deduction allowed under this sec-  
14 tion shall be allocated pro rata among the stock so  
15 purchased in accordance with the purchase price per  
16 share.

17           “(c) DISPOSITIONS OF STOCK.—

18           “(1) GAIN TREATED AS ORDINARY INCOME.—If  
19 any Commercial Space Center stock with respect to  
20 which a deduction was allowed under this section is  
21 disposed of by the taxpayer, then the lesser of—

22                   “(A) the excess of—

23                           “(i)(I) in the case of a sale or ex-  
24 change, the amount realized, or

1                   “(II) in the case of any other disposi-  
2                   tion, the fair market value of the stock,  
3                   over

4                   “(ii) the adjusted basis of such stock,  
5                   or

6                   “(B) the amount of the deduction allowed  
7                   under this section with respect to such stock,  
8                   shall be treated as ordinary income. Such gain shall  
9                   be recognized notwithstanding any other provision of  
10                  this subtitle.

11               “(2) INTEREST CHARGED IF DISPOSITION  
12               WITHIN 3 YEARS OF PURCHASE.—

13               “(A) IN GENERAL.—If any Commercial  
14               Space Center stock is disposed of before the  
15               end of the 3-year period beginning on the date  
16               such stock was purchased by the taxpayer, the  
17               tax imposed by this chapter for the taxable year  
18               in which such disposition occurs shall be in-  
19               creased by the Commercial Space Center stock  
20               recapture amount.

21               “(B) COMMERCIAL SPACE CENTER STOCK  
22               RECAPTURE AMOUNT.—For purposes of sub-  
23               paragraph (A), the term ‘Commercial Space  
24               Center stock recapture amount’ means an  
25               amount equal to the amount of interest (deter-

1           mined at the underpayment rate applicable  
2           under section 6621) which would accrue—

3                   “(i) during the period beginning on  
4                   the date such stock was purchased by the  
5                   taxpayer and ending on the date such  
6                   stock was disposed of by the taxpayer,

7                   “(ii) on the aggregate decrease in tax  
8                   of the taxpayer resulting from the deduc-  
9                   tion allowed under this section with respect  
10                  to the stock so disposed of.

11          “(d) TREATMENT WHERE ISSUER CEASES TO BE  
12          QUALIFIED.—

13                  “(1) IN GENERAL.—If—

14                          “(A) any qualified issuer with respect to  
15                          the stock of which any taxpayer has made an  
16                          election under this section ceases to meet the  
17                          requirements of subsection (e)(2)(A), and

18                          “(B) such cessation occurs at any time be-  
19                          fore the close of the 5th taxable year ending  
20                          after the date such stock was issued,

21          the tax treatment described in paragraph (2) shall  
22          apply to the taxable year of the taxpayer in which  
23          such cessation occurs.

1           “(2) TAX TREATMENT OF TAXPAYER.—The tax  
2           treatment described in this paragraph for any tax-  
3           able year is—

4                   “(A) the taxpayer shall include in income  
5                   as ordinary income the amount of the deduction  
6                   allowed under this section with respect to such  
7                   stock,

8                   “(B) the tax imposed by this chapter for  
9                   such taxable year shall be increased by an  
10                  amount equal to the amount of interest (deter-  
11                  mined at the underpayment rate applicable  
12                  under section 6621) which would accrue—

13                          “(i) during the period beginning on  
14                          the date such stock was purchased by the  
15                          taxpayer and ending on the disqualification  
16                          date,

17                          “(ii) on the aggregate decrease in tax  
18                          of the taxpayer resulting from the deduc-  
19                          tion allowed under this section with respect  
20                          to the stock.

21           “(3) DISQUALIFICATION DATE.—For purposes  
22           of paragraph (2), the term ‘disqualification date’  
23           means the last day of the taxable year of the quali-  
24           fied issuer in which the requirements of subsection  
25           (e)(2)(A) ceased to be met.



1           “(4) EXCEPTION FOR SMALL INVESTORS.—In  
2       the case of an individual, paragraph (1) shall not  
3       apply if, on the disqualification date with respect to  
4       any qualified issuer, the aggregate of the deductions  
5       allowed to the taxpayer under this section with re-  
6       spect to stock issued by such issuer does not exceed  
7       \$5,000 (\$10,000 in the case of a joint return).

8           “(e) DEFINITIONS.—For purposes of this section—

9           “(1) COMMERCIAL SPACE CENTER STOCK.—The  
10      term ‘Commercial Space Center stock’ means com-  
11      mon stock issued by a qualified issuer but only if the  
12      proceeds of such issue are used by such issuer to es-  
13      tablish or operate a Commercial Space Center.

14          “(2) QUALIFIED ISSUER.—The term ‘qualified  
15      issuer’ means any corporation which, at the time of  
16      issuance of the stock involved is conducting a busi-  
17      ness at least 75 percent of the gross receipts of  
18      which for the taxable year are attributable to—

19                  “(A) operations within a Commercial  
20      Space Center, or

21                  “(B) the establishment or operation of a  
22      Commercial Space Center,  
23      in the active conduct of a trade or business.

24          “(3) RELATED PERSON.—A person is a related  
25      person to another person if—

1           “(A) such persons are treated as a single  
2           employer under subsections (a) and (b) of sec-  
3           tion 52, or

4           “(B) in the case of individuals, such per-  
5           sons are husband and wife.

6           “(f) SPECIAL RULES.—

7           “(1) AMOUNT PAID AFTER CLOSE OF TAXABLE  
8           YEAR.—An amount paid after the close of the tax-  
9           able year for the purchase of Commercial Space  
10          Center stock shall be treated for purposes of sub-  
11          section (a) as paid during such year if—

12           “(A) such amount is so paid not later than  
13           the time prescribed by law for filing the return  
14           for such taxable year (including extensions  
15           thereof), and

16           “(B) the taxpayer was under a binding  
17           contract as of the close of such taxable year to  
18           purchase such stock.

19           “(2) LIMITATION ON AMOUNT OF DEDUC-  
20          TION.—If—

21           “(A) any Commercial Space Center stock  
22           is issued in exchange for property,

23           “(B) the basis of such stock in the hands  
24           of the taxpayer is determined by reference to  
25           the basis of such property, and

1           “(C) the adjusted basis (for determining  
2           gain) of such property immediately before the  
3           exchange exceeded its fair market value at such  
4           time,

5           then the deduction under this section, and such ad-  
6           justed basis, shall both be reduced by the excess de-  
7           scribed in subparagraph (C).

8           “(g) BASIS ADJUSTMENT.—For purposes of this sub-  
9           title, if a deduction is allowed under this section with re-  
10          spect to the purchase of any stock, the basis of such stock  
11          (without regard to this subsection) shall be reduced by the  
12          amount of the deduction allowed with respect to the pur-  
13          chase of such stock.

14          “(h) APPLICATION OF SECTION.—This section shall  
15          apply only to stock acquired after December 31, 1992, and  
16          before January 1, 2008.”

17          (b) TECHNICAL AMENDMENT.—Subsection (a) of  
18          section 1016 of such Code (relating to adjustments to  
19          basis) is amended by striking out “and” at the end of  
20          paragraph (23), by striking out the period at the end of  
21          paragraph (24) and inserting in lieu thereof “, and”, and  
22          by adding at the end thereof the following new paragraph:

23                 “(25) to the extent provided in section 197(g),  
24                 in the case of stock with respect to which a deduc-  
25                 tion was allowed under section 197.”

1 (c) CLERICAL AMENDMENT.—The table of sections  
 2 for part VI of subchapter B of chapter 1 of such Code  
 3 is amended by adding at the end thereof the following new  
 4 item:

“Sec. 197. Deduction for purchase of Commercial Space Center  
 stock.”

5 (d) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to stock purchased after December  
 7 31, 1992.

8 **SEC. 403. EXCLUSION OF GAIN ON SALE OF STOCK OF COR-**  
 9 **PORATION SUBSTANTIALLY ENGAGED IN**  
 10 **SPACE-RELATED ACTIVITIES.**

11 (a) IN GENERAL.—Part III of subchapter B of chap-  
 12 ter 1 of the Internal Revenue Code of 1986 (relating to  
 13 items specifically excluded from gross income) is amended  
 14 by redesignating section 137 as section 138 and by insert-  
 15 ing after section 136 the following new section:

16 **“SEC. 137. GAIN ON SPACE CORPORATION STOCK.**

17 “(a) GENERAL RULE.—Gross income shall not in-  
 18 clude gain on the sale or exchange of space corporation  
 19 stock.

20 “(b) LIMITATIONS.—

21 “(1) MAXIMUM DOLLAR AMOUNT.—

22 “(A) IN GENERAL.—The maximum  
 23 amount excluded under subsection (a) to a tax-

1           payer for the taxable year shall not exceed  
2           \$100,000.

3           “(B) CONTROLLED GROUPS.—For pur-  
4           poses of subparagraph (A), the taxpayer and all  
5           persons who are related persons (as defined in  
6           section 197(c)(3)) with respect to the taxpayer  
7           shall be treated as 1 person, and the \$100,000  
8           amount in subparagraph (A) shall be allocated  
9           among the taxpayer and such persons in pro-  
10          portion to their respective sales and exchanges  
11          of stock during the calendar year in which the  
12          taxable year of the taxpayer begins.

13          “(2) EXCLUDED GAIN MUST BE LONG-TERM  
14          CAPITAL GAIN.—Subsection (a) shall not apply to  
15          any gain other than long-term capital gain.

16          “(c) SPACE CORPORATION STOCK.—

17               “(1) IN GENERAL.—The term ‘space corpora-  
18               tion stock’ means common stock acquired by the tax-  
19               payer on its original issue by a space corporation.

20               “(2) SPACE CORPORATION.—The term ‘space  
21               corporation’ means any corporation which, during  
22               each of its 3 taxable years ending before the date of  
23               the sale or exchange by the taxpayer, derived at  
24               least 75 percent of its gross receipts of from the ac-  
25               tive conduct of a trade or business involving the pro-

1       viding of space-related products or services. For pur-  
 2       poses of the preceding sentence, gross receipts at-  
 3       tributable to operations within a Commercial Space  
 4       Center, or to the establishment or operation of a  
 5       Commercial Space Center, shall not be taken into  
 6       account.

7       “(d) APPLICATION OF SECTION.—This section shall  
 8       apply only to stock acquired after December 31, 1992, and  
 9       before January 1, 2008.”

10       (b) CLERICAL AMENDMENT.—The table of sections  
 11       for such part III is amended by striking the last item and  
 12       inserting the following new item:

“Sec. 137. Gain on space corporation stock.”

13       (c) EFFECTIVE DATE.—The amendments made by  
 14       this section shall apply to stock purchased after December  
 15       31, 1992.

16       **SEC. 404. TREATMENT OF BONDS TO FINANCE SPACE**  
 17               **LAUNCH AND LAUNCH SUPPORT FACILITIES.**

18       (a) IN GENERAL.—Subsection (a) of section 142 of  
 19       the Internal Revenue Code of 1986 (defining exempt facil-  
 20       ity bond) is amended by striking “or” at the end of para-  
 21       graph (10), by striking the period at the end of paragraph  
 22       (11) and inserting “, or”, and by adding at the end thereof  
 23       the following:

24               “(12) space launch and launch support facili-  
 25       ties.

1 Paragraph (12) shall not apply to any bond issued after  
2 December 31, 2007.”

3 (b) SPACE LAUNCH AND LAUNCH SUPPORT FACILI-  
4 TIES.—Section 142 of such Code is amended by adding  
5 at the end thereof the following new subsection:

6 “(j) SPACE LAUNCH AND LAUNCH SUPPORT FACILI-  
7 TIES.—For purposes of subsection (a)(12), the term  
8 ‘space launch and launch support facilities’ means—

9 “(1) all facilities, equipment, and real property  
10 used to prepare space transportation vehicles and  
11 their payloads for transportation to, from, or within  
12 outer space, or in suborbital trajectory or to launch  
13 such vehicles, and

14 “(2) all facilities, equipment, and real property  
15 used to conduct research and development, manufac-  
16 ture, process, and service space transportation vehi-  
17 cles and their payloads.

18 For purposes of the preceding sentence, the terms ‘space  
19 transportation vehicles’ and ‘payloads’ have the respective  
20 meanings given such terms by section 3 of the Omnibus  
21 Space Commercialization Act of 1993.”

22 (c) EXCEPTION FROM VOLUME CAP.—Paragraph (3)  
23 of section 146(g) of such Code is amended by striking “or  
24 (2)” and inserting “, (2), or (12)” and by inserting “and

1 space launch and launch support facilities” after  
2 “wharves”.

3 (d) CERTAIN ADDITIONAL REQUIREMENTS NOT TO  
4 APPLY TO SPACE LAUNCH AND LAUNCH SUPPORT FA-  
5 CILITIES BONDS.—

6 (1) Subsection (h) of section 147 of such Code  
7 is amended by adding at the end thereof the follow-  
8 ing new paragraph:

9 “(3) SPACE LAUNCH AND LAUNCH SUPPORT  
10 FACILITIES BONDS.—Subsections (a), (b), (c), and  
11 (d) shall not apply to any exempt facility bond de-  
12 scribed in section 142(a)(12).”

13 (2) The heading for subsection (h) of section  
14 147 of such Code is amended by striking “AND  
15 QUALIFIED 501(c)(3) BONDS” and inserting  
16 “QUALIFIED 501(c)(3) BONDS, AND SPACE LAUNCH  
17 AND LAUNCH SUPPORT FACILITIES BONDS”.

18 (e) FEDERAL GUARANTEED SPACE LAUNCH AND  
19 LAUNCH SUPPORT FACILITIES BONDS PERMITTED.—  
20 Paragraph (3) of section 149(b) of such Code is amended  
21 by adding at the end thereof the following new subpara-  
22 graph:

23 “(E) EXCEPTION FOR SPACE LAUNCH AND  
24 LAUNCH SUPPORT FACILITIES BONDS.—Para-  
25 graph (1) shall not apply to any exempt facility



1           bond described in section 142(a)(12) in situa-  
2           tions where the guarantee of the United States  
3           (or any agency or instrumentality thereof) is  
4           the result of payment of rent, user fees, or  
5           other charges by the United States (or any  
6           agency or instrumentality thereof) for the use  
7           of a facility financed with such a bond.”

8           (f) EXCEPTION FROM ADVANCE REFUNDING  
9   RULES.—Paragraph (2) of section 149(d) of such Code  
10   is amended by striking “bond).” and inserting “bond or  
11   any exempt facility bond described in section  
12   142(a)(12)).”

13          (g) EFFECTIVE DATE.—The amendments made by  
14   this section shall apply to obligations issued after the date  
15   of the enactment of this Act.

16   **SEC. 405. SPACE MANUFACTURING INCENTIVE.**

17          (a) IN GENERAL.—Part III of subchapter B of chap-  
18   ter 1 of the Internal Revenue Code of 1986 (relating to  
19   items specifically excluded from gross income) is amended  
20   by inserting after section 137 the following new section:

21   **“SEC. 138. SPACE MANUFACTURING INCOME.**

22          “(a) GENERAL RULE.—Gross income shall not in-  
23   clude space manufacturing income.

1       “(b) SPACE MANUFACTURING INCOME.—For pur-  
2 poses of this section, the term ‘space manufacturing in-  
3 come’ means—

4               “(1) income derived from the commercial sale  
5 of any product which is manufactured in outer space  
6 and returned to Earth, and

7               “(2) income of an individual attributable to  
8 services performed in outer space by such individual  
9 in a commercial space activity.

10       “(c) EXCLUSION FROM TARIFFS, ETC.—Any product  
11 which is manufactured in outer space and returned to  
12 Earth shall be exempt from all Federal excises, imposts,  
13 and duties and any other Federal tariffs.

14       “(d) PHASEOUT OF BENEFITS.—In the case of a tax-  
15 able year beginning after December 31, 2022, the amount  
16 excluded under subsection (a) shall be reduced (but not  
17 below zero) by  $x/20$ th’s of the amount excludable without  
18 regard to this subsection, where ‘x’ is the number of years  
19 such taxable year is after the last taxable year beginning  
20 before January 1, 2023. A similar rule shall apply to the  
21 benefits under subsection (c).”

22       (b) CLERICAL AMENDMENT.—The table of sections  
23 for such part III is amended by adding at the end the  
24 following new items:

“Sec. 138. Space manufacturing income.

“Sec. 139. Cross references to other Acts.”

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 1992.

4 **SEC. 406. STATE TAX BENEFITS FOR COMMERCIAL SPACE**  
5 **ACTIVITIES TO BE ENCOURAGED.**

6 The President shall encourage State and local govern-  
7 ments to offer tax and other incentives to encourage com-  
8 mercial space activities.

9 **TITLE V—MISCELLANEOUS**

10 **SEC. 501. ANTITRUST EXEMPTIONS.**

11 (a) STANDING TO CONDUCT CERTAIN LITIGATION.—  
12 Notwithstanding sections 4 and 4C of the Clayton Act (15  
13 U.S.C. 15 and 15C) and section 4 (a) and (b) of the Na-  
14 tional Cooperative Research Act of 1984 (15 U.S.C. 4303  
15 (a) and (b)), standing to conduct litigation arising from  
16 causes of action under such Acts arising out of activities  
17 carried out under this Act is reserved to the Department  
18 of Justice under the direction of the Attorney General and  
19 the Federal Trade Commission.

20 (b) LIMITATION ON RELIEF.—Notwithstanding sec-  
21 tion 4(a) of the Clayton Act (15 U.S.C. 15(a)) and section  
22 4 of the National Cooperative Research Act of 1984 (15  
23 U.S.C. 4303), and in lieu of the relief specified in such  
24 sections, the sole relief available to the United States act-  
25 ing on its own behalf or on the behalf of any State or

1 persons, in causes of action under such Acts arising out  
2 of activities carried out under this Act, shall be injunctive  
3 relief.

4 **SEC. 502. EVIDENCE.**

5 In any action against a commercial provider arising  
6 in connection with activities carried out under this Act,  
7 evidence of the failure of such commercial provider to fol-  
8 low military specifications or National Aeronautics and  
9 Space Administration specifications shall not, in and of  
10 itself, constitute proof of negligence on the part of a com-  
11 mercial provider, except where such specifications are spe-  
12 cifically required by contract or in cases concerning emer-  
13 gency flight termination (range safety) equipment when  
14 flights are made from launch sites owned by the Federal  
15 Government.

16 **SEC. 503. REPORT ON LAWS THAT AFFECT SPACE COMMER-**  
17 **CIALIZATION.**

18 Within one year after the date of enactment of this  
19 Act, the Director of the National Space Council, in co-  
20 operation with the Director of the Office of Space Com-  
21 merce, shall report to the Committee on Science, Space,  
22 and Technology of the House of Representatives and the  
23 Committee on Commerce, Science, and Transportation of  
24 the Senate on the status of laws and treaties in the United  
25 States and internationally that affect the ability of the

1 United States to commercially exploit space. Such report  
2 shall include recommendations for any changes to such  
3 laws or treaties that may be desirable.

4 **SEC. 504. OFFICE OF SPACE COMMERCE.**

5 (a) ESTABLISHMENT.—There is established within  
6 the Department of Commerce an Office of Space Com-  
7 merce.

8 (b) FUNCTIONS.—The Office of Space Commerce  
9 shall be the principal unit for the coordination of space-  
10 related issues, programs, and initiatives within the De-  
11 partment of Commerce. The Office's primary responsibil-  
12 ities shall include—

13 (1) promoting private sector investment in  
14 space activities by collecting, analyzing, and dissemi-  
15 nating information on space markets, and conduct-  
16 ing workshops and seminars to increase awareness  
17 of commercial space opportunities;

18 (2) assisting commercial space companies in  
19 their efforts to do business with the United States  
20 Government, and acting as an industry advocate  
21 within the executive branch to ensure that the Fed-  
22 eral Government meets its space-related require-  
23 ment, to the fullest extent feasible, with commer-  
24 cially available space goods and services;

1           (3) ensuring that the United States Govern-  
2           ment does not compete with the private sector in the  
3           provision of space hardware and services otherwise  
4           available from the private sector;

5           (4) promoting the export of space-related goods  
6           and services;

7           (5) representing the Department of Commerce  
8           in the development of United States policies and in  
9           negotiations with foreign countries to ensure free  
10          and fair trade internationally in the area of space  
11          commerce;

12          (6) seeking the removal of legal, policy, and in-  
13          stitutional impediments to space commerce; and

14          (7) licensing private sector parties to operate  
15          private remote sensing space systems and supporting  
16          the private sector's role in the commercial develop-  
17          ment of Landsat remote sensing data distribution.

18 **SEC. 505. SPACE-RELATED RESEARCH.**

19          (a) **REQUIRED REPORTS.**—Each Federal agency or  
20          department covered by this section shall, within 1 year  
21          after the appropriation of the amount that brings the  
22          agency or department under the coverage of this section,  
23          submit a report to Congress containing a plan for activi-  
24          ties to support space-related research appropriate to the  
25          mission of such agency or department. Once every 2 years

1 after the submission of such report, the agency or depart-  
2 ment shall report to Congress on progress made in imple-  
3 menting such plan, together with suggestions for any pol-  
4 icy or legislative changes necessary to enhance the agen-  
5 cy's or department's ability to implement that plan.

6 (b) COVERAGE.—A Federal agency or department  
7 shall be covered by this section if it has an annual research  
8 and development budget, for a fiscal year ending after the  
9 date of enactment of this Act, greater than \$100,000,000.

10 **SEC. 506. COMMERCIAL ADVERTISING.**

11 To the extent that safety is not compromised, the  
12 United States shall accommodate commercial advertis-  
13 ing—

14 (1) by its contractors or their assigns providing  
15 space transportation vehicles, space infrastructure,  
16 payloads, or space launch or launch support facili-  
17 ties; or

18 (2) by persons who are engaged in activities  
19 which reuse or recycle space transportation vehicles,  
20 space infrastructure, payloads, or space launch or  
21 launch support facilities.

22 **SEC. 507. PURCHASE OF SPACE SCIENCE DATA.**

23 (a) IN GENERAL.—To the maximum extent possible,  
24 the National Aeronautics and Space Administration shall  
25 purchase from the private sector space science data. Ex-

1 am-  
2 ples of such data include scientific data concerning the  
3 elemental and mineralogical resources of the moon and the  
4 planets, Earth environmental data obtained through re-  
5 mote sensing observations, and solar storm monitoring.

6 (b) COMPETITIVE BIDDING.—(1) Contracts for the  
7 purchase of space science data shall be awarded in a proc-  
8 ess of full, fair, and open competitive bidding among  
9 United States persons.

10 (2) Submission of cost data either for the purposes  
11 of supporting the bid or for the fulfillment of the contract  
12 shall not be required of bidders.

13 (3) Conformance with military specifications  
14 (Milspec) or National Aeronautics and Space Administra-  
15 tion specification systems with respect to the design, con-  
16 struction, or operation of equipment used in obtaining  
17 space science data for the Federal Government shall not  
18 be a requirement for a commercial provider bidding to pro-  
19 vide such services.

20 (4) Contracts under this section shall not provide for  
21 the Federal Government to obtain ownership of data not  
22 specifically sought by the Federal Government.

23 **SEC. 508. PROCUREMENT.**

24 (a) PROCUREMENT DEMONSTRATION PROGRAM.—

25 (1) IN GENERAL.—The Administrator shall es-  
26 tablish within the Office of Advanced Concepts and



1 Technology a program of expedited technology pro-  
2 curement for the purpose of demonstrating how in-  
3 novative technology concepts can rapidly be brought  
4 to bear upon space missions of the National Aero-  
5 nautics and Space Administration.

6 (2) PROCEDURES AND EVALUATION.—The Ad-  
7 ministrator shall establish procedures for actively  
8 seeking from nongovernment persons innovative  
9 technology concepts relating to the provision of  
10 space hardware, technology, or services to the Na-  
11 tional Aeronautics and Space Administration, and  
12 for the evaluation of such concepts by the National  
13 Aeronautics and Space Administration's Advisory  
14 Council against mission requirements.

15 (3) REQUIREMENT.—At least 10 percent of  
16 amounts authorized to be appropriated for Commer-  
17 cial Programs, Research and Development, for each  
18 fiscal year shall be used for innovative technology  
19 procurements that are determined under paragraph  
20 (2) to meet mission requirements.

21 (4) SPECIAL AUTHORITY.—Notwithstanding  
22 any other provision of Federal law or regulation, in  
23 order to carry out this subsection the Administrator  
24 shall recruit and hire for limited term appointments  
25 persons from the nongovernmental sector with spe-

1       cial expertise and experience related to the innova-  
2       tive technology concepts with respect to which pro-  
3       curements are made under this subsection. Further,  
4       in carrying out this subsection the Administrator  
5       may waive—

6                   (A) Federal Acquisition Regulations;

7                   (B) Military Specifications; and

8                   (C) cost data requirements.

9       (b) REPORT.—The Office of Space Commerce shall,  
10      within 6 months after the date of enactment of this Act,  
11      submit a report to the President and the Congress con-  
12      taining recommendations for procuring space infrastruc-  
13      ture, space launch and launch support facilities, and pay-  
14      loads using proof of concept methods and unsolicited pro-  
15      posals. In preparing such report, the Office of Space Com-  
16      merce shall consult with appropriate persons in the private  
17      sector.

18      **SEC. 509. LAND REMOTE SENSING POLICY ACT OF 1992**

19                   **AMENDMENTS.**

20       Section 105(a) of the Land Remote Sensing Policy  
21      Act of 1992 is amended—

22                   (1) by striking paragraphs (1), (3), and (4);

23                   (2) by redesignating paragraphs (2), (5), and

24                   (6) as paragraphs (3), (4), and (7), respectively;

1           (3) by inserting before paragraph (3), as so re-  
2           designated, the following new paragraphs:

3           “(1) define the roles and responsibilities of var-  
4           ious public and private sector entities that would be  
5           involved in the acquisition, processing, distribution,  
6           and archiving of Landsat 7 data and in the oper-  
7           ations of the Landsat 7 spacecraft;

8           “(2) ensure that unenhanced data shall be pro-  
9           vided to the United States Government and its affili-  
10          ated users at the cost of fulfilling user requests, and  
11          that such data may be reproduced and disseminated  
12          to other Federal agencies and affiliated users, on the  
13          condition that such unenhanced data is used solely  
14          for noncommercial purposes;”;

15          (4) in paragraph (4), as so redesignated by  
16          paragraph (2) of this section, by striking “and” at  
17          the end; and

18          (5) by inserting after such paragraph (4) the  
19          following new paragraphs:

20          “(5) ensure that instructional data sets, se-  
21          lected from the Landsat data archives, shall be made  
22          available to educational institutions exclusively for  
23          noncommercial, educational purposes at the cost of  
24          fulfilling user requests;

1 “(6) ensure that the proposed data distribution  
2 system contributes to the goal of the commercializa-  
3 tion of land remote sensing; and”.

4 **SEC. 510. LAND REMOTE SENSING FOR AGRICULTURAL**  
5 **MANAGEMENT.**

6 (a) FINDINGS.—The Congress finds that—

7 (1) the use of land remote sensing data is po-  
8 tentially a valuable resource to the agricultural com-  
9 munity;

10 (2) land remote sensing data can inform the ag-  
11 ricultural community as to the condition of crops  
12 and the land which sustains those crops;

13 (3) land remote sensing data can be useful for  
14 farmers engaged in prescription farming;

15 (4) land remote sensing data on agricultural  
16 conditions can be valuable, when received on a time-  
17 ly basis; and

18 (5) the National Aeronautics and Space Admin-  
19 istration, using the expertise of the Earth Observa-  
20 tions Commercialization Applications Program, and  
21 the Department of Agriculture should work in tan-  
22 dem to aid farmers to obtain data which would be  
23 conducive to sound agricultural management and  
24 greater crop yields.

1 (b) DEFINITIONS.—For the purposes of this sec-  
2 tion—

3 (1) the term “Administrator” means the Ad-  
4 ministrator of the National Aeronautics and Space  
5 Administration;

6 (2) the term “prescription farming” means a  
7 method by which farmers can regulate the applica-  
8 tion rates of pesticides, nutrients, and water, among  
9 other inputs, to farmlands in the exact amount nec-  
10 essary to maximize crop yield, without harming the  
11 environment; and

12 (3) the term “data voucher” means a grant to  
13 enable farmers to purchase land remote sensing in-  
14 formation from commercial entities.

15 (c) DATA VOUCHERS.—The Secretary of Agriculture  
16 and the Administrator shall jointly develop a mechanism  
17 to provide farmers with data vouchers. Data vouchers  
18 shall be distributed to farmers through the Agricultural  
19 Extension Service, which shall contract with commercial  
20 entities to provide farmers engaged in prescription farm-  
21 ing with timely data on crop conditions, fertilization and  
22 irrigation needs, pest infiltration, and soil conditions.

23 (d) TRAINING.—The Secretary of Agriculture and the  
24 Administrator shall jointly establish a program to train

1 farmers in the use and interpretation of land remote sens-  
 2 ing data for prescription farming.

3 (e) AUTHORIZATION.—Funds necessary for carrying  
 4 out this section shall be derived from funds otherwise au-  
 5 thorized for the Agricultural Extension Service.

6 (f) SUNSET.—The provisions of this section shall ex-  
 7 pire 5 years after the date of enactment of this Act.

8 **SEC. 511. SUNSET.**

9 Sections 102(b), 501, 502, 503, and 505 shall expire  
 10 15 years after the date of enactment of this Act.

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